

1 THOMAS C. HORNE

Attorney General

2 Firm Bar No. 14000

3 Michael Tryon (#003109)

4 Evan Hiller (#028214)

Assistant Attorneys General

5 Office of Senior Litigation Counsel

6 Kevin D. Ray (#007485)

7 Lori S. Davis (#027875)

8 Aubrey Joy Corcoran (#025423)

Assistant Attorneys General

9 Education and Health Section

10 1275 West Washington Street

Phoenix, Arizona 85007-2926

11 Telephone: (602) 542-8328

12 Facsimile: (602) 364-0700

Email: EducationHealth@azag.gov

13 *Attorneys for Plaintiffs*

14 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**

15 **IN AND FOR THE COUNTY OF MARICOPA**

16 STATE OF ARIZONA and WILL HUMBLE,
17 Director of the Arizona Department of Health
18 Services, in his Official Capacity;

19 Plaintiffs,

20 vs.

21 THE 2811 CLUB, LLC, an Arizona limited
22 liability company; THE ARIZONA
23 COMPASSION ASSOCIATION, INC., a
24 pending Arizona non-profit corporation;
25 MICHAEL R. MILLER, Director of the
26 Arizona Compassion Association, Inc.;
27 YOKI, INC. d/b/a YOKI A MÁ CLUB, an
Arizona non-profit corporation; ARIZONA
COMPASSION CLUB, LLC, an Arizona
limited liability company; JOHN and JANE

Case No.

VERIFIED COMPLAINT

1 DOES I-XX; and MYSTERY COMPANIES
2 I-XX;

3 Defendants.

4 Plaintiffs, the State of Arizona and Will Humble, Director of the Arizona
5 Department of Health Services, in his Official Capacity (collectively, "Plaintiffs"), by
6 and through undersigned counsel, bring this civil action for declaratory judgment and
7 injunctive relief as follows:

8 **INTRODUCTORY STATEMENT**

9 1. This is an action for declaratory and injunctive relief challenging the ability
10 of cannabis clubs, cooperatives, or other persons, associations or entities that are not
11 registered nonprofit medical marijuana dispensaries from operating or holding
12 themselves out as though they are able to lawfully participate in the possession,
13 production, transportation, sale, or transfer of marijuana pursuant to the Arizona Medical
14 Marijuana Act (the "Act" or the "AMMA"), A.R.S. § 36-3801 *et seq.*

15 2. Plaintiffs seek a declaratory judgment that each of the Defendants is
16 violating the AMMA because the AMMA does not offer any protections to cannabis
17 clubs, cooperatives, or other persons, associations or entities that are not registered
18 nonprofit medical marijuana dispensaries and because the AMMA does not decriminalize
19 the possession, production, transportation, sale, or transfer of marijuana by or through
20 cannabis clubs, cooperatives, persons, associations or other entities that are not registered
21 nonprofit medical marijuana dispensaries.

22 3. Plaintiffs seek preliminary and permanent injunctions restraining each of
23 the Defendants from violating the AMMA by operating or by holding themselves out as
24 being able to lawfully operate under the AMMA and by engaging in activities that
25 involve the possession, production, transportation, sale, or transfer of marijuana.

26 **JURISDICTION AND VENUE**

27 4. This Court has jurisdiction pursuant to A.R.S. § 12-123.

1 18. Under the AMMA, the Arizona Department of Health Services (“ADHS”)
2 is responsible for implementing and overseeing the Act. The AMMA provides for the
3 registration and certification by the ADHS of nonprofit medical marijuana dispensaries,
4 nonprofit medical marijuana dispensary agents, qualifying patients, and designated
5 caregivers.

6 19. On April 14, 2011, the ADHS began accepting applications from persons
7 who sought to be registered as qualifying patients and designated caregivers. That
8 registration process continues and as of July 28, 2011, the ADHS has registered 8,670
9 qualifying patients and 347 designated caregivers.

10 20. The ADHS was scheduled to begin accepting applications for nonprofit
11 medical marijuana dispensaries and nonprofit medical marijuana dispensary agents on
12 June 1, 2011. However, on May 27, 2011, the ADHS suspended the application process
13 for nonprofit medical marijuana dispensaries and nonprofit medical marijuana dispensary
14 agents. Consequently, there are currently no registered nonprofit medical marijuana
15 dispensaries or nonprofit medical marijuana dispensary agents in the state.

16 21. After the application process for nonprofit medical marijuana dispensaries
17 and nonprofit medical marijuana dispensary agents was suspended, private cannabis
18 clubs and cooperatives began emerging within the state.

19 22. Upon information and belief, generally, the cannabis clubs and
20 cooperatives assert that, pursuant to A.R.S. § 36-2811(B)(3), registered qualifying
21 patients and registered designated caregivers may obtain marijuana through the cannabis
22 clubs and cooperatives so long as there is not a direct exchange of anything of value at
23 the time the marijuana is received.

24 23. The AMMA only creates exceptions to the criminal statutes for the
25 following individuals and entities: registered qualifying patients, registered designated
26 caregivers, registered dispensary agents working in a registered nonprofit medical
27

1 marijuana dispensary, and registered nonprofit medical marijuana dispensaries. A.R.S. §
2 § 36-2801, 36-2802.

3 24. Activities involving the possession, use, production, transport, sale, or
4 transfer of marijuana that are not in strict compliance of the AMMA remain illegal under
5 Arizona's criminal statutes. *E.g.*, A.R.S. §§ 13-3401 & 13-3405.

6 25. Under the AMMA, a qualifying patient may designate a caregiver to assist
7 with the qualifying patient's medical use of marijuana. A.R.S. §§ 36-2801(5) &
8 36-2804.02. Only an individual, not an entity, may be a designated caregiver. A.R.S. §
9 36-2801(5). Additionally, a designated caregiver may not assist more than five patients
10 and may not be paid any fee or compensation for his service as a caregiver. *Id.*

11 26. A designated caregiver may be reimbursed for actual costs incurred for
12 assisting a qualifying patient with his medical use of marijuana, but can only be
13 reimbursed for the costs associated with assisting the particular qualifying patients to
14 whom the designated caregiver is connected through ADHS' registration process. A.R.S.
15 § 36-2801(5)(e) (A designated caregiver "[m]ay receive reimbursement for actual costs
16 incurred in assisting a registered qualifying patient's medical use of marijuana *if* the
17 registered designated caregiver is connected to the registered qualifying patient through
18 [the ADHS'] registration process.") (emphasis added).

19 27. Under the AMMA, qualifying patients are permitted to possess up to two-
20 and-one-half ounces of usable marijuana every two weeks. A.R.S. § 36-2801(1).

21 28. Under the AMMA, designated caregivers are permitted to possess up to
22 two-and-one-half ounces of usable marijuana every two weeks per qualifying patient. *Id.*

23 29. Under the AMMA, if a qualifying patient lives more than 25 miles from a
24 medical marijuana dispensary, and is authorized by the ADHS to do so, he, or his
25 designated caregiver, may cultivate up to twelve marijuana plants. *Id.* A designated
26 caregiver may cultivate up to twelve marijuana plants per qualifying patient. *Id.*

27

1 30. In addition to growing their own marijuana, the only other permissible way
2 for qualifying patients or designated caregivers to obtain marijuana is from a nonprofit
3 medical marijuana dispensary agent at the nonprofit medical marijuana dispensary with
4 which the dispensary agent is affiliated, or from another qualifying patient or designated
5 caregiver. A.R.S. §§ 36-2806.02 & 36-2811(B)(3). No other individual or entity may
6 lawfully possess or transfer marijuana to a qualifying patient or designated caregiver.

7 31. Qualifying patients and designated caregivers may only offer or provide
8 marijuana to another registered qualifying patient or registered designated caregiver if
9 nothing of value is transferred in exchange for the marijuana. A.R.S. § 36-2811(B)(3).

10 32. When a qualifying patient or designated caregiver provides marijuana
11 directly to another qualifying patient, the marijuana that was transferred can only be used
12 by that qualifying patient who received the marijuana for his own medical use. *Id.* (A
13 qualifying patient or designated caregiver may offer or provide marijuana “to a registered
14 qualifying patient or registered designated caregiver *for the registered qualifying*
15 *patient’s medical use*”) (emphasis added). The secondary transfer of marijuana is
16 prohibited.

17 33. When a qualifying patient or designated caregiver provides marijuana
18 directly to another designated caregiver, the marijuana that was transferred can only be
19 used for the medical use of a qualifying patient connected to that designated caregiver
20 through ADHS’ registration process. *Id.* (A qualifying patient or designated caregiver
21 may offer or provide marijuana “to a registered qualifying patient or registered
22 designated caregiver *for the registered qualifying patient’s medical use*”) (emphasis
23 added). The secondary transfer of marijuana is prohibited.

24 34. The only entities (e.g., proprietorships, partnerships, corporations, limited
25 liability companies, cooperatives) to which a qualifying patient or designated caregiver
26 may offer or provide marijuana are registered nonprofit medical marijuana dispensaries,
27

1 so long as they receive no compensation and nothing of value is transferred. A.R.S. §§
2 36-2806(F) & 36-2811(B)(3).

3 35. Under the AMMA, the only individuals and entities that are permitted to
4 acquire, possess, cultivate, manufacture, deliver, transfer, transport, supply, dispense, or
5 use medical marijuana are those qualifying patients, designated caregivers, nonprofit
6 medical marijuana dispensary agents, and nonprofit medical marijuana dispensaries that
7 are registered with the ADHS.

8 FACTUAL ALLEGATIONS

9 THE 2811 CLUB, LLC

10 36. Upon information and belief, the 2811 Club is holding itself out as being
11 able to legally operate under the AMMA.

12 37. Upon information and belief, to join the 2811 Club, members must be
13 qualifying patients or designated caregivers registered with the ADHS and pay an initial
14 application fee of \$25. 2811 Club, Welcome, [http://www.the2811club.com/2811-
16 intro.html](http://www.the2811club.com/2811-
15 intro.html) (last visited Aug. 4, 2011) (attached hereto as Exhibit A); 2811 Club, Fees &
17 Dues, <http://www.the2811club.com> (last visited Aug. 4, 2011) (attached hereto as Exhibit
18 B). Upon information and belief, thereafter, members must pay either a \$75 entrance fee
19 each time they visit the club or an annual membership fee of \$700, which includes one
20 club visit per month for twelve months. 2811 Club, Fees & Dues, *supra*.

21 38. Upon information and belief, as part of the application, prospective
22 members must sign an agreement and disclose and explain if they have ever been
23 employed by a law enforcement agency. 2811 Club, Agreements,
24 <http://www.the2811club.com/agreements.html> (last visited Aug. 4, 2011) (attached hereto
25 as Exhibit C); 2811 Club, Application, <http://www.the2811club.com/application.html>
(last visited Aug. 4, 2011) (attached hereto as Exhibit D).

26 39. Upon information and belief, the 2811 Club states that one of the benefits
27 of membership is the ability to obtain medical marijuana. 2811 Club, Welcome, *supra*

1 (“We welcome you to join our club, enjoy the numerous benefits and *obtain FREE*
2 *supplies of Medical Marijuana.*”) (emphasis added); 2811 Club, Fees & Dues, *supra*
3 (“Membership benefits include . . . Free samples of Medical Marijuana subject to
4 availability.”).

5 40. Advertisements for the 2811 Club state “Free Medical Marijuana when you
6 join the club.” 2811 Club Advertisement, The Phoenix New Times, Jul. 28, 2011, at 70;
7 2811 Club Advertisement, The Phoenix New Times, Aug. 4, 2011, at 74 (attached hereto
8 as Exhibit E); *see also* 2811 Club, Home, <http://www.the2811club.com/index.html> (last
9 visited Aug. 4, 2011) (attached hereto as Exhibit F) (“Free Marijuana . . . Membership
10 has it’s [sic] benefits!!”; additionally, a scroll above the link to the 2811 Club states,
11 “Click here to get FREE Medical Marijuana . . . Membership has it’s [sic] benefits . . .”).

12 41. Upon information and belief, at each visit to the 2811 Club, “member[s]
13 can obtain, FREE OF CHARGE, up to 1/8 of an ounce of high quality medical grade
14 marijuana.” 2811 Club, Welcome, *supra*. Upon information and belief, to obtain the
15 marijuana “free of charge,” members must first pay membership dues to enter the club.
16 2811 Club, Fees & Dues, *supra*; *see also* Complaint for Declaratory Judgment, *Allan*
17 *Sobol v. State of Arizona, et al.*, case no. CV2011-053246, ¶ 34 (Ariz. Sup. Ct. Jul. 18,
18 2011) (attached hereto as Exhibit G); 2811 Club, Rules,
19 <http://www.the2811club.com/clubrules.html> (last visited Aug. 4, 2011) (attached hereto
20 as Exhibit H).

21 42. Upon information and belief, the 2811 Club “tests all marijuana distributed
22 at its facilities,” 2811 Club, Welcome, *supra*; *see also* 2811 Club, Fees & Dues, *supra*,
23 and “tracks each patient and the medicine they receive.” Letter from Allan Sobol,
24 Marketing Agent, The 2811, Club, LLC, to Tom Horne, Arizona Attorney General,
25 Dennis Burke, U.S. Attorney, Joe Arpaio, Maricopa County Sheriff, Joe Yahner, Chief,
26 Phoenix Police Department (Jul. 1, 2011) (attached hereto as Exhibit I).

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1 43. Upon information and belief, the express purpose of the 2811 Club is to
2 provide for the transfer of marijuana. Sobol Letter, *supra* (“We were approached by
3 numerous caregivers and patients who were looking to share their medicine with others
4 who were unable to obtain it themselves. We helped them organize and we donated some
5 space in our facility where they could exchange their products . . .”).

6 44. Upon information and belief, the 2811 Club donates space within its facility
7 to allow qualifying patients and designated caregivers to transfer marijuana. Sobol
8 Letter, *supra*.

9 45. Upon information and belief, the marijuana provided to members of the
10 2811 Club “is donated/transferred by the Arizona Compassion Association, Inc.” 2811
11 Club, Fees & Dues, *supra*.

12 46. Upon information and belief, the 2811 Club has entered into a written
13 agreement with the Compassion Association to allow it “to utilize space in the club
14 without cost” to provide marijuana to the 2811 Club’s members. Compl. ¶ 31, *supra*; see
15 also Sobol Letter, *supra* (“[W]e donated some space in our facility where they could
16 exchange their products . . .”).

17 47. Upon information and belief, the 2811 Club uses membership dues to make
18 donations to the Compassion Association to offset the cost of acquiring the marijuana.
19 2811 Club, Welcome, *supra*; 2811 Club, Fees & Dues, *supra*; 2811 Club, Agreements,
20 *supra*; Compl. ¶ 32.

21 48. Upon information and belief, members of the 2811 Club must pay
22 membership dues in order to obtain medical marijuana at the 2811 Club. 2811 Club,
23 Fees & Dues, *supra*; Compl. ¶ 34, *supra*; 2811 Club, Rules, *supra*.

24 49. Upon information and belief, the 2811 Club has characterized itself as a
25 store, Compl. ¶ 27, *supra* (the 2811 Club is “the first, of what is expected to be many[,]
26 stores”) (emphasis added), and has stated that its members are purchasing marijuana,
27

1 Compl. ¶ 26, *supra* (the 2811 Club’s members include “some who desire to *purchase*
2 their medication in a safe, legal[,] and dignified manner”) (emphasis added).

3 THE ARIZONA COMPASSION ASSOCIATION, INC. AND MICHAEL R. MILLER

4 50. Upon information and belief, the Compassion Association is holding itself
5 out as being able to legally operate under the AMMA.

6 51. Upon information and belief, the Compassion Association is a network of
7 qualifying patients and designated caregivers who grow marijuana. Compassion
8 Association, Home, <http://seed2success.com/compassion-ass.html> (last visited Aug. 4,
9 2011) (attached hereto as Exhibit J).

10 52. Upon information and belief, the Compassion Association is receiving use
11 of the 2811 Club at no charge. Compl. ¶ 31, *supra*; *see also* Sobol Letter, *supra*

12 53. Upon information and belief, the Compassion Association, as a corporation,
13 is directly providing marijuana to members of the 2811 Club. 2811 Club, Fees & Dues,
14 *supra*.

15 54. Upon information and belief, members of the 2811 Club must pay dues to
16 the 2811 Club before they are able to obtain marijuana from the Compassion Association.
17 2811 Club, Fees & Dues, *supra*; Compl. ¶ 34, *supra*; 2811 Club, Rules, *supra*.

18 55. Upon information and belief, the Compassion Association receives
19 donations or reimbursements from the 2811 Club to cover the cost of acquiring or
20 cultivating marijuana. 2811 Club, Welcome, *supra*; 2811 Club, Fees & Dues, *supra*;
21 2811 Club, Agreements, *supra*; Compl. ¶ 32.

22 56. Upon information and belief, the Compassion Association receives
23 marijuana from multiple qualifying patients or designated caregivers which it then
24 redistributes to qualifying patients or designated caregivers. 2811 Club, Fees & Dues,
25 *supra*; Compl. ¶ 29, *supra*.

26 57. Upon information and belief, the Compassion Association possesses a
27 marijuana seed bank or a marijuana clone bank. Compassion Association, Home, *supra*.

1 Upon information and belief, Defendant Michael R. Miller is a Director of Compassion
2 Association, and is responsible for the activities of Compassion Association.

3 YOKI, INC. DOING BUSINESS AS YOKI A MÁ CLUB

4 58. Upon information and belief, the Yoki Club is holding itself out as being
5 able to legally operate under the AMMA.

6 59. Upon information and belief, Yoki Club charges its members a visit fee of
7 \$65 each time they visit the club. Yoki Club, Medication,
8 <http://yokiama.com/Medication.php> (last visited Aug. 4, 2011) (attached hereto as
9 Exhibit K); *see also* Emily Holden, *Medical-Marijuana Clubs Pop Up as Arizona Law Is*
10 *Debated*, The Arizona Republic, Jul. 18, 2011, *available at*
11 <http://www.azcentral.com/news/articles/2011/07/18/20110718arizona-medical->
12 [marijuana-clubs-pop-up.html](http://www.azcentral.com/news/articles/2011/07/18/20110718arizona-medical-marijuana-clubs-pop-up.html) (attached hereto as Exhibit L).

13 60. Upon information and belief, Yoki Club, as a corporation, provides
14 marijuana to its members. Yoki Club, Medication, *supra* (“Yoki A Ma' Club has a wide
15 variety of medical marijuana to suit your diagnosis needs. Here are some pictures of
16 what is available”); Yoki Club, Home Page, <http://www.yokiama.com/Home.html>
17 (last visited Aug. 4, 2011) (attached hereto as Exhibit M) (“We are giving new and old
18 members a FREE MMJ cigarette with ever [sic] visit for the whole month of August.”).

19 61. Upon information and belief, Yoki Club members are able to receive
20 marijuana after paying a visit fee. Yoki Club, Medication, *supra* (“Yoki A Ma' Club has
21 a wide variety of medical marijuana . . . available to our members with a visit fee.”).

22 62. Upon information and belief, members of the Yoki Club must pay a visit
23 fee before they are able to obtain marijuana from the Yoki Club. Yoki Club, Medication,
24 *supra* (“Yoki A Ma' Club has a wide variety of medical marijuana . . . available to our
25 members *with a visit fee.*”) (emphasis added).

26 63. Upon information and belief, after charging a \$65 visit fee, Yoki Club gives
27 its members an eighth of an ounce of marijuana. Holden, *supra*.

1 Thomas Road . . . is a ‘safe, comfortable’ place with a professional staff who are also
2 patients . . .”).

3 72. Upon information and belief, the Compassion Club’s staff members
4 dispense marijuana to its members. Stern, *Arizona Compassion Club, supra* (“In the
5 other room there are two tables where staff members discuss what’s needed with patients
6 and hand out the marijuana.”).

7 73. Upon information and belief, members of the Compassion Club must make
8 a donation before they are able to obtain marijuana from the Compassion Club. Stern,
9 *Arizona Compassion Club, supra*. “Staff members tell[] patients it’s not a commercial
10 transaction.” Stern, *Arizona Compassion Club, supra*.

11 74. Upon information and belief, the Compassion Club receives marijuana
12 from multiple qualifying patients or designated caregivers which it then redistributes to
13 qualifying patients or designated caregivers. Stern, *Arizona Compassion Club, supra*
14 (“[A]s part of the benefits of being a member, [members] can obtain medicine that’s
15 ‘gifted’ from other patients;” “Staff members at the Arizona Compassion Club say *their*
16 *medicine comes from now-legal sources.*”) (emphasis added).

17 **COUNT I – DECLARATORY JUDGMENT**

18 **THE 2811 CLUB, LLC**

19 75. Plaintiffs repeat and reallege paragraphs 1-74 above.

20 76. The 2811 Club is a for-profit limited liability company and, as such, the
21 AMMA does not offer any protections to the 2811 Club and does not decriminalize its
22 participation in the possession, production, transportation, sale, or transfer of marijuana.

23 77. Because the 2811 Club has entered into a written agreement with the
24 Compassion Association to ensure that its members can obtain marijuana, it is involved
25 in the transfer of marijuana and is therefore in violation of the AMMA.

1 78. Because the 2811 Club advertises and states that a membership benefit is
2 the ability to obtain marijuana, it is involved in the transfer of marijuana and is therefore
3 in violation of the AMMA.

4 79. Because the 2811 Club tests all the marijuana that is brought into its
5 facility, it is involved in the transfer of marijuana and is therefore in violation of the
6 AMMA.

7 80. Because the 2811 Club provides space to individuals and entities for the
8 express purpose of transferring marijuana, it is involved in the transfer of marijuana and
9 is therefore in violation of the AMMA.

10 81. Because the 2811 Club donates space in its facility to the Compassion
11 Association so that the Compassion Association can transfer marijuana, the 2811 Club is
12 giving something of value for the transfer of marijuana and is therefore in violation of the
13 AMMA.

14 82. Because the 2811 Club donates space in its facility to qualifying patients or
15 designated caregivers so that they can transfer marijuana, the 2811 Club is giving
16 something of value for the transfer of marijuana and is therefore in violation of the
17 AMMA.

18 83. Because the 2811 Club donates to or reimburses the Compassion
19 Association to offset the cost of acquiring marijuana, it is giving something of value for
20 the transfer of marijuana and is therefore in violation of the AMMA.

21 84. Because the 2811 Club donates to or reimburses designated caregivers or
22 qualifying patients to offset the cost of acquiring marijuana, it is giving something of
23 value for the transfer of marijuana and is therefore in violation of the AMMA.

24 85. Because the 2811 Club receives payment, in the form of membership dues,
25 in exchange for its members being able to obtain marijuana, it is receiving something of
26 value in exchange for the transfer of marijuana and is therefore in violation of the
27 AMMA.

1 THE ARIZONA COMPASSION ASSOCIATION, INC. AND MICHAEL R. MILLER

2 86. The Compassion Association is a nonprofit entity and, as such, the AMMA
3 does not offer any protections to the Compassion Association and does not decriminalize
4 its participation in the possession, production, transportation, sale, or transfer of
5 marijuana.

6 87. Because the Compassion Association possesses, produces, transports, sells,
7 or transfers marijuana, it is in violation of the AMMA.

8 88. Because the Compassion Association is not a designated caregiver and
9 receives donations or reimbursements from the 2811 Club to offset the cost of acquiring
10 marijuana, it is in violation of the AMMA.

11 89. Because the Compassion Association receives marijuana from qualifying
12 patients or designated caregivers that it then retransfers to other qualifying patients and
13 designated caregivers, it is in violation of the AMMA.

14 90. Because the Compassion Association receives use of the 2811 Club at no
15 charge and receives donations or reimbursements from the 2811 Club, it is receiving
16 something of value in exchange for the transfer of marijuana and therefore is in violation
17 of the AMMA.

18 91. Because Defendant Michael R. Miller is a Director of and is responsible for
19 the actions of the Compassion Association, he is in violation of the AMMA.

20 YOKI, INC. DOING BUSINESS AS YOKI A MÁ CLUB

21 92. Yoki Club is a nonprofit corporation and, as such, the AMMA does not
22 offer any protections to the Yoki Club and does not decriminalize its participation in the
23 possession, production, transportation, sale, or transfer of marijuana.

24 93. Because Yoki Club possesses, produces, transports, sells, or transfers
25 marijuana, it is in violation of the AMMA.

1 94. Because Yoki Club receives marijuana from qualifying patients or
2 designated caregivers that it then retransfers to other qualifying patients and designated
3 caregivers, it is in violation of the AMMA.

4 95. Because Yoki Club receives payment, in the form of visit fees, in exchange
5 for transferring marijuana to its members, it is receiving something of value in exchange
6 for the transfer of marijuana and is therefore in violation of the AMMA.

7 96. Because Yoki Club is not a designated caregiver and receives donations or
8 reimbursements from its members in the form of visit fees, it is in violation of the
9 AMMA.

10 ARIZONA COMPASSION CLUB, LLC

11 97. The Compassion Club is a for-profit limited liability company and, as such,
12 the AMMA does not offer any protections to the Compassion Club and does not
13 decriminalize its participation in the possession, production, transportation, sale, or
14 transfer of marijuana.

15 98. Because the Compassion Club states that a membership benefit is the
16 ability to obtain marijuana, it is involved in the transfer of marijuana and is therefore in
17 violation of the AMMA.

18 99. Because the Compassion Club's staff directly dispenses marijuana to its
19 members, the Compassion Club is transferring marijuana and is therefore in violation of
20 the AMMA.

21 100. Because the Compassion Club receives payment, in the form of
22 membership dues and donations, in exchange for its members being able to obtain
23 marijuana, it is receiving something of value in exchange for the transfer of marijuana
24 and is therefore in violation of the AMMA.

25 101. Because the Compassion Club receives marijuana from qualifying patients
26 or designated caregivers that it then retransfers to other qualifying patients and designated
27 caregivers, it is in violation of the AMMA.

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C. The Court grants such other and further relief as it deems appropriate and proper.

Dated this 8 day of August, 2011.

THOMAS C. HORNE
Attorney General



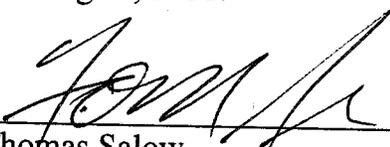
Michael Tryon
Evan Hiller
Kevin D. Ray
Lori S. Davis
Aubrey Joy Corcoran
Assistant Attorneys General
Attorneys for Plaintiffs

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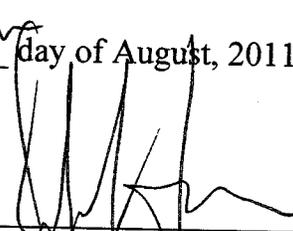
1 8. I have personally viewed the electronic version of The Arizona Republic's July
2 18, 2011 article by Emily Holden titled *Medical-Marijuana Clubs Pop Up as Arizona*
3 *Law is Debated* and Exhibit L is a true and correct copy of that article.

4 9. I have personally viewed the electronic version of The New Times' June 24,
5 2011 article by Ray Stern titled *Arizona Compassion Club Helps Obtain Medical*
6 *Marijuana for Qualified Patients* and Exhibit N is a true and correct copy of that article.

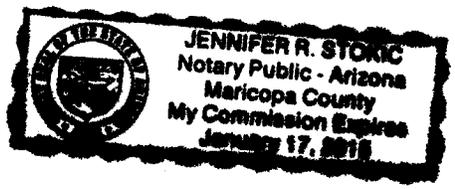
7
8 Executed on this 4th day of August, 2011.

9
10 
11 _____
12 Thomas Salow
13 Manager, Office of Administrative Counsel and Rules
14 Arizona Department of Health Services

14 Subscribed and sworn before me this 4th day of August, 2011.

15 
16 _____
17 Notary Public
18

19 My commission expires:
20 _____
21 1-17-2015



22 Doc # 2214077
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